

REGISTERED NUMBER: 10923200 (England and Wales)

**GROUP STRATEGIC REPORT,
REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023
FOR
ENSEK HOLDINGS LIMITED**



Grant Thornton UK LLP
Chartered Accountants
Senior Statutory Auditor
Waterloo House
71 Princess Road West
Leicester
LE1 6TR

ENSEK HOLDINGS LIMITED (REGISTERED NUMBER: 10923200)

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for the year ended 31 March 2023**

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ENSEK HOLDINGS LIMITED

COMPANY INFORMATION
for the year ended 31 March 2023

DIRECTORS:

P E Bennett
J C Green
J A Slade
M Wright
M J Vitty
D J Murray
D B Ellis
G G Rothery

REGISTERED OFFICE:

Hounds Gate
30-34 Hounds Gate
Nottingham
NG1 7AB

REGISTERED NUMBER:

10923200 (England and Wales)

AUDITORS:

Grant Thornton UK LLP
Chartered Accountants
Senior Statutory Auditor
Waterloo House
71 Princess Road West
Leicester
LE1 6TR

BANKERS:

HSBC
26 Clumber Street
Nottingham
Nottinghamshire
NG1 3GA

SOLICITORS:

Eversheds Sutherland (International) LLP
Water Court
116-118 Canal Street
Nottingham
NG1 7HF

ENSEK HOLDINGS LIMITED (REGISTERED NUMBER: 10923200)

**GROUP STRATEGIC REPORT
for the year ended 31 March 2023**

The directors present their strategic report for the year ended 31 March 2023.

Principal Activities of the Business

The principal activity of ENSEK Holdings Limited is as a company that develops and implements a suite of business-critical software, advisory and managed service solutions to energy retail suppliers operating in the Residential, SME and Industrial & Commercial sectors.

The Company focuses on delivering innovative, cutting-edge Software as a Service (SaaS) solutions to customers facilitating agility, efficiency and real time insight in a rapidly digitalising and data rich energy sector. Removing the complexity of the energy sector and enabling energy suppliers to deliver a state-of-the-art, differentiated service to their customers, reduce their cost to serve and to drive towards decarbonization, whilst meeting complex regulatory requirements in a rapidly advancing sector.

SaaS solutions are typically sold to customers on an enterprise subscription basis on 3-5 year contracts, with the business increasingly serving large, global tier 1 energy suppliers re-platforming to SaaS native, industry specific solutions

Market

There has been an unprecedented level of volatility in the UK energy sector during the past 18 months as suppliers have contended with rising global wholesale prices driven by macroeconomic factors such as the war in Ukraine. This has led to consolidation in the UK and across global liberalized markets as smaller, challenger suppliers, and even established players have struggled to meet the capital requirements needed to continue to operate. The result has been increasing market share held amongst a handful of large suppliers in the UK with a dramatic reduction in both customer switching suppliers and new challengers looking to enter the market.

Whilst not unscathed by the market volatility, ENSEK has been able to maintain a consistent revenue in FY23, as lost revenue from smaller suppliers has been replaced by the expansion of tier 1 relationships. At the same time the business has successfully returned to profitability in Q2 FY23.

Future Developments

Despite the challenging context, a consistent set of market trends continue to endure which present a significant opportunity for ENSEK. These include:

- i. Decarbonisation: there is an increasing expectation from customers that energy suppliers enable the transition to zero carbon by offering innovative, flexible, green tariffs supporting technological advancements that have been enabled by the roll out of smart meters. These include flexible local generation, feed-in tariffs, battery storage, electric mobility and grid balancing time-of-use tariffs, that place the consumers at the heart of actively managing energy consumption, cost and the energy source. These advancements towards decarbonization are underpinned by legal commitments to net zero made globally by governments. Whilst the pace of change towards decarbonization is accelerating, the end state of the energy infrastructure required to support it remains in definition. Suppliers require flexible, real-time systems in order to support rapid technology.
- ii. Digitalisation: driven by increased competition, the pace of digital transformation continues to accelerate as suppliers use technology, such as that provided by ENSEK, to differentiate themselves to deliver a high-quality customer experience and improved cost to serve. The continued roll out of Smart meters globally enables a more granular view of suppliers' customer base which can be used to further improve experience, drive energy efficiency and reduce customers bills.
- iii. Global Market Liberalisation: there is ongoing momentum towards global utility market liberalisation as governments seek to lower costs, deliver better customer service and foster increased innovation in the energy sector.
- iv. Price Volatility: there has been significant recent energy price volatility as macro-economic factors such as the Russia-Ukraine war, the covid pandemic and extreme weather events have resulted in instability and unpredictability. Price volatility threatens to undermine suppliers already thin profit margins and, along with increased competition, has made cost to serve efficiency a critical area of focus.

Driven by the market trends highlighted above and supported by the advancement of modern, energy specific, agile technology offerings; there is an acceleration towards re-platforming amongst global energy suppliers looking to move away from incumbent platforms.

ENSEK HOLDINGS LIMITED (REGISTERED NUMBER: 10923200)**GROUP STRATEGIC REPORT
for the year ended 31 March 2023**

ENSEK's mission is to develop technology which:

- delivers high-quality customer experience,
- a step change in efficiency and
- the agility essential for suppliers to adapt to rapid technological advances in order to deliver a decarbonized energy ecosystem.

As such ENSEK is well positioned to capitalize on the global market dynamic which is playing out.

Business Review

During FY23, whilst revenue plateaued, both Net Loss and EBITDA improved. The transition from serving mid-tier to large tier 1 suppliers has continued at pace in the year and has enabled the business to substitute revenue lost, as several customers exited the market during the energy crisis, with revenue from expanded relationship with more secure tier 1 suppliers. During the year the business has withdrawn from its operations in Belgium to focus on delivery in its core UK market.

The Group's Balance Sheet has weakened during the year with Net Liabilities increasing to £21,432,054 (2022: £11,349,030). Cash generated from operations during the year was £3,438,840 (2022: cash lost of £2,463,519).

The proportion of recurring to non-recurring revenue continued to grow as meters on the ENSEK platform increased by 3.6 million to 5.5 million, driven by ongoing customer migrations.

Research and Development

ENSEK has continued to invest in advancing its product suite with significant expansion of our Smart meter and billing functionality as well as improvements in customer experience and continued regulatory industry change including Faster Switching and Market Wide Half Hourly Settlements. These advancements will enable the business to better serve our tier 1 customer base and their end consumers.

Key Performance Indicators

Management monitors the following Key Performance Indicators (KPIs):

| | 31-Mar-23 | 31-Mar-22 | % Change |
|----------------------------------|-----------|-----------|----------|
| Meters on the platform | 5.5m | 1.9m | 189% |
| Revenue | 24.8m | 25.6m | -3% |
| Recurring Revenue | 16.2m | 15.1m | 7% |
| Proportion of SaaS Revenue | 62% | 52% | 19% |
| Number of Employees | 302 | 314 | -4% |
| Employee Net Promoter Score | 16 | -16 | |
| Greenhouse Gas Emissions (tCO2e) | 198.98 | N/A | |

Principal Risks and Uncertainties

The Directors continue to identify and evaluate operational and other risks faced by the Group, implementing changes where necessary to reduce risk to manageable levels.

Risk Management

Risk Management is a key function of the Board and important to the successful delivery of ENSEK's strategy. Risks are identified and managed within the risk appetite set by the Board. Key risks can be categorised into Commercial Risks and Cashflow and Liquidity Risks. A summary of the key risks is provided below.

Commercial Risk**Market & Regulatory Risk**

There continues to be significant turbulence in the global energy sector, highlighted by high commodity prices and price volatility. Linked to this market risk, which all our customers are contending with, is the risk that major changes are made to the structures, architecture or regulatory framework within the markets in which ENSEK operates.

Customer Concentration Risk

The majority of ENSEK's revenue in FY23 came from a single large customer. Material change in this customer will have a material impact on the financial performance of the company. Concentration risk is being managed by building a convertible pipeline of large opportunities to provide dilution.

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**GROUP STRATEGIC REPORT
for the year ended 31 March 2023**

Cyber Security Risk

A major breach of information security could result in a significant negative financial and reputational impact on the business. The risk landscape is increasingly challenging with cybercrime, targeting all markets on the rise and heightening the risk exposure to broader business disruption and data breaches. ENSEK has implemented and maintains tight data security systems with multiple, regular penetration testing timetabled through the year. All employees are trained to be aware of and vigilant to data security risk.

Compliance Risk

It is necessary for ENSEK to meet compliance and regulatory requirements to ensure that customers can rely on the Groups products. Failure to comply could result in our customers incurring regulatory fines, reputation risk and damaged customer relationships. This risk is mitigated through there being a dedicated compliance team at ENSEK with additional expertise provided by a 3rd party where required.

Financial, Cashflow and Liquidity Risk

Credit Risk

The Group's principal financial assets are bank balances and cash, trade receivables and other receivables. The Group's credit risk is primarily related to trade receivables. The balances presented in the balance sheet are net of allowances for doubtful receivables. Group policies are aimed at minimising any bad debt write offs by performing robust credit assessment of new customers and continuous assessment of the credit worthiness of existing customers.

Customers are normally heavily reliant on the SaaS and services provided by ENSEK as business critical software, which can be readily cancelled for non-payment, in accordance with terms and conditions, further mitigating exposure to credit risk.

Market Risk

This is the risk that the Group's ability to do business will be adversely impacted by changes in the level of volatility of prices or interest rates. The key business costs relate to the salary cost of our employees and the hosting cost associated with hosting our software. Whilst there has been material wage inflation recently and increases in hosting costs, ENSEK has been able to mitigate these by driving greater efficiency in its operations and passing higher costs onto customers through CPI linked increases. The majority of the Group's debt is at fixed interest and therefore carries no exposure to movement in the Base Rate.

Cashflow and Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Group aims to mitigate liquidity risk by managing cash generation from its operations, collecting cash from trade debtors in line with agreed terms and carefully managing accounts payable.

The Board reviews the Group's liquidity at monthly meetings. The Group also prepares weekly short-term cash flow forecasts and maintains flexibility by maintaining appropriate headroom in its cash position.

Currency Risk

The Company has a limited number of creditors and debtors in US Dollars, Australian Dollars and Euros. These transactions are either processed through the currency bank accounts, or transacted at spot rate.

Going Concern

The Directors believe that it is appropriate to prepare the accounts on a going concern basis. The directors have prepared and reviewed forecasts, including downside scenarios, and have concluded that there is sufficient cash and funding available to the business to meet all liabilities as they fall due.

In accordance with the Guidance on Going Concern and Liquidity Risk Guidance for UK Companies 2009, the Directors confirm that, after making enquiries, they have a reasonable expectation that the Company and the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Streamlined Energy and Carbon Reporting (SECR)

Scope:

The scope of this disclosure covers the greenhouse gas (GHG) emissions of ENSEK Limited for the period 01 January 2022 to 31 December 2022. This period is different from our financial year, which runs from 01 April 2022 to 31 March 2023, but the majority of our environmental reporting year falls within our financial year.

Our Taken and Planned Emissions Reduction Actions relate to the current and coming financial years, respectively.

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**GROUP STRATEGIC REPORT
for the year ended 31 March 2023**

Our Ambition and Targets

We have set two near-term emissions reduction targets:

- i. We are committed to becoming a net zero organisation across our scope 1 and 2 GHG emissions categories by 2030.
- ii. We are committed to calculating and reporting our scope 3 GHG emissions and developing an emissions reduction plan, using 2022 as our base year, by the end of March 2024.

By the end of 2024, we also will set long-term science-based emissions reduction targets, which are absolute Scope 1, 2 and 3 emissions reduction targets for our business that must be achieved by 2050 at the earliest from a predefined base year. This will include a commitment to neutralise any unabated emissions when our long-term target is achieved.

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GROUP STRATEGIC REPORT
for the year ended 31 March 2023**2022 GHG EMISSIONS PERFORMANCE**

This section provides our GHQ emissions performance data for the period 01 January 2022 to 31 December 2022.

The Scope 1 and Scope 2 GHQ emissions data reported below covers the emissions from our single controlled facility at 30-34 Hounds Gate, Nottingham. This facility is supplied by 2 electricity meters. The gas supply to this facility was removed 2022 and there was no natural gas consumed in the reporting period, nor were there any other material emissions from other Scope 1 GHQ emissions sources.

Our Scope 2 GHQ footprint is relatively small compared to our Scope 3 GHQ emissions, particularly our home working emissions because a large proportion of our workforce is home-based.

We do not currently report emissions related to our supply chain due to the complexity in gathering and processing the required data. However, emissions related to our use of third party IT solutions and cloud computing services is something that we intend to include in future SECR disclosures.

| GHQ Emissions Category | Reporting Method Note | Unit of Measure | Volume | Emissions tCO ₂ e | Intensity Ratio | Intensity Unit | Intensity Factor Note |
|---|-----------------------|-----------------|---------|------------------------------|-----------------|---------------------------------|-----------------------|
| 1. Scope 1 Emissions related to boiler plant supplying owned or controlled facilities | N/A | kWh | 0 | 0 | N/A | N/A | N/A |
| 2. Scope 2 (Location-based approach) Emissions from the generation of purchased electricity consumed in owned or controlled facilities or equipment or operations | i | kWh | 115,343 | 22.31 | 0.0140 | tCO ₂ e per SQM | A |
| Total Scope 1 & 2 (Location based Approach) | | | | 22.31 | 0.0140 | tCO ₂ e per SQM | A |
| 3. Scope 3: Business Travel Emissions from car travel (all vehicle types) for business purposes | ii | Km | 89,554 | 15.26 | 0.0553 | tCO ₂ e per employee | B |
| 4. Scope 3: Business Travel Emissions from flights (all categories) for business purposes | iii | Km | 43,427 | 6.66 | 0.0241 | tCO ₂ e per employee | B |
| 5. Scope 3: Business Travel Emissions from rail travel for business purposes | iv | Km | 260,044 | 9.23 | 0.0334 | tCO ₂ e per employee | B |
| 6. Scope 3: Business Travel Emissions from taxi journeys for business purposes | v | Km | 2,344 | 0.35 | 0.0013 | tCO ₂ e per employee | B |
| 7. Scope 3: Business Travel | vi | Room per Night | 514 | 5.89 | 0.0213 | tCO ₂ e per employee | B |

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GROUP STRATEGIC REPORT
for the year ended 31 March 2023

Emissions from
overnight
accommodation
required for business
purposes

8. Scope 3: Home Working

Emissions from use
of office equipment &
heating for
employees that work
from home

vii

FTE
working
hour

408,600

139.23

0.5045

tCO₂e per
employee

B

**Total Scope 1, 2 & 3
GHG Emissions**

198.93

0.0000089
5tCO₂e
per£ of
Revenue

C

Reporting Methodology Notes:

i. Our Scope 2 (location-based approach) category covers electricity consumed in our UK operated facility between 01 January and 31 December 2022. The electricity consumption value was derived from manual meter readings taken periodically throughout the year. For periods where actual meter readings were not available, energy usage was estimated. The UK Government emissions factor for UK generated electricity was used to convert energy usage (kWh) into GHG emissions (tCO₂e).

ii. This Scope 3 business travel category covers emissions from car travel (all vehicle types) for business purposes. Emissions related to 'petrol or diesel' and 'electric vehicle' car journeys were calculated separately based on business miles claimed by our employees through our expenses system. Miles were converted to kilometres using a conversion factor of 1 mile = 1.609 km. UK Government emissions factors for an 'Average Unknown' and 'Average Battery Electricity Vehicle' vehicle were used to convert business travel kilometres into GHG emissions (tCO₂e).

iii. This Scope 3 business travel category covers emissions from flights taken for business purposes. Emissions related to air travel for business purposes were calculated based on data from two sources:

- 1) Air travel claimed through our expenses system, and
- 2) Air travel booked directly by us.

Where the origination and destination airports were not recorded within our expenses system, the passenger kilometres were estimated using the cost of the flight in pounds and pence as a proxy. It was assumed that all passenger kilometres were economy class.

UK Government emissions factors for 'domestic', 'short haul' and 'international' flights were used to convert passenger kilometres into GHG emissions (tCO₂e).

iv. This Scope 3 business travel category covers emissions from rail journeys taken for business purposes. Emissions related to rail travel for business purposes via were calculated based on data from two sources:

- 1) Rail travel claimed through our expenses system, and
- 2) Rail travel booked directly by us.

Where the departure and destination train stations were not recorded within our expenses system, the passenger kilometres were estimated using the cost of the train journey in pounds and pence as a proxy. For 2022, our assumed cost per kilometre value was: £0.33.

The UK Government emissions factor for 'National Rail' was used to convert passenger kilometres into GHG emissions (tCO₂e).

v. This Scope 3 business travel category covers emissions from taxi journeys for business purposes. Emissions related to taxi journeys were estimated based on taxi expenses claimed by our employees through our expenses system. For 2022, we assumed an average cost per kilometre value for taxi journeys of £1.30. This was based on an average cover per mile of between £1.20 to £3.00 depending on location, day of the week, time of day sourced from www.nimblefins.co.uk/business-insurance/taxi-insurance/average-cost-taxi-ride. The published cover per mile data on the Nimblefins website was converted to a cost per kilometre using a conversion factor of 1 mile = 1.609 km.

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GROUP STRATEGIC REPORT for the year ended 31 March 2023

The UK Government emissions factor for a 'Regular Taxi' was used to convert passenger kilometres into GHG emissions (tCO₂e).

vi. This Scope 3 business travel category covers emissions from overnight accommodation required for business purposes. Emissions related to hotel accommodation were calculated based on data sourced from our hotel booking systems and expenses system. An average cost of £100 per room per night was used to estimate the number of overnight stays for expense claims.

UK Government emissions factors for 'Hotel Stays' by country were used to convert the total overnight stay value into GHG emissions (tCO₂e).

vii. This Scope 3 category covers emissions from home working related to our employee's use of office equipment and heating. Our home working emissions were modelled based on the average total monthly working hours for all permanent full time equivalent employees minus:

- 1) the average monthly hours related to employee absence due to annual leave, sickness or other reasons; and
- 2) the average monthly hours worked in the office based on unique security pass logs.

The UK Government emissions factor for 'Homeworking (office equipment + heating)' was used to convert total home working hours into GHG emissions (tCO₂e).

Intensity Factor Notes:

- A. The tCO₂e value was divided by the internal floor area for ENSEK's single controlled facility in Nottingham of 1,595m².
- B. The tCO₂e value was divided by an average monthly permanent headcount for the whole of 2022 of 276 full time equivalent members of staff.
- C. The tCO₂e value was divided by the total revenue for ENSEK Limited for 2022, which was £22,215,672.

Explanatory Notes:

- This is our first SECR disclosure. As such, the above table does not include the previous year's figures for energy use and GHG emissions.
- From 01 January 2023, our GHG emissions performance is monitored on a quarterly basis. The quarterly data sets are aggregated to produce annual GHG emissions report for each calendar year. This report forms the basis of our annual SECR disclosure and will, in subsequent disclosures, facilitate a year-on-year comparison.
- We did not have any Scope 1 GHG emissions, e.g. emissions related to gas consumption or fugitive emissions categories, to report for 2022.
- We do not currently collect the data required to report on other Scope 3 emissions categories, such as employee commuting and supply chain emissions.

Emissions Reduction Actions

Emissions Reduction Actions Taken

During the reporting period 01 April 2022 to 31 March 2023, we took the following emissions reductions actions:

1. We formed an Environment, Social & Governance (ESG) Steering Group that reports to our Executive Leadership Team. This Group is responsible for monitoring and reporting our GHG emissions on a quarterly basis, establishing GHG emissions reduction targets and plans, and monitoring and reporting our performance.
2. We created our 2022 baseline GHG emissions inventory.
3. We have made various ESG e-learning modules available to our employees, which cover GHG emissions reduction.

Emissions Reduction Actions Planned

For the period 01 April 2023 to 31 March 2024, we will focus on the following emissions reduction actions:

1. Establish KPIs and regular monitoring covering our GHG emissions sources, including extending the scope of our Scope 3 KPIs and reporting.
2. Arrange the installation of smart meters at our Nottingham office to provide access to granular electricity consumption data that will enable energy usage monitoring and targeting.
3. Complete an ESOS audit of our Nottingham office and review the energy saving recommendations.
4. Transfer our electricity supplies to a renewable electricity contract based by Renewable Energy Guarantee of Origin (REGO) certificates.
5. Develop an emissions reduction plan for our scope 3 emissions categories.

ENSEK HOLDINGS LIMITED (REGISTERED NUMBER: 10923200)

**GROUP STRATEGIC REPORT
for the year ended 31 March 2023**

-
6. Evaluate the case for setting and validating near-term emissions reduction targets in accordance with the Science-Based Targets Initiative as a small or medium-sized enterprise.
7. Evaluate the case for procuring carbon credits to neutralise our Scope 3 emissions categories where abatement options are limited.

SECTION 172(1) STATEMENT

This section describes how we have engaged with and considered the interests of our key stakeholders when exercising our duty to promote the success of the Company under section 172(1) of the Companies Act 2006. We describe below how the Board seeks to understand what matters to stakeholders and carefully considers the relevant factors when selecting the appropriate course of action.

The business's key stakeholders are our:

- Customers;
- Workforce;
- Suppliers;
- Communities and the Environment; and
- Investors.

The Board considers the views of each of these groups when making long-term business decisions.

Customers: the business engages with customers at multiple levels through regular customer meetings led by our Customer Relationship Management team and through Board level meetings. As a business critical supplier we work closely with our customers to support their success, with regular discussions around strategically important items such as ENSEK's product development roadmap and SLA performance.

Workforce: engagement with our employees is vital to the ongoing success of our business. We engage regularly with our employees through various forums such as Quarterly 'All Hands' Performance meetings with significant time devoted to open questions; a bi-monthly Employee Net Promoter survey with responses discussed and acted on by directors; a structure of regular 1:1 meeting across the organisation where feedback and challenge is encouraged; New Starter Lunches where all new starters attend a lunch meeting with 2 Directors. As a relatively small business with a 'flat' and open culture the directors are fortunate to be able to hold regular informal discussions with employees. The Board takes the welfare of employees extremely seriously with a particular focus on mental health with monthly mental health support meeting and dedicated 'Mental Health First Aiders'.

Suppliers: strong partnerships with key suppliers are critical to the continued success of the business, this sits alongside the requirement to ensure value for money is delivered. We engage regularly with all suppliers, with formalised management of business-critical suppliers such as Amazon Web Services to ensure that both parties are optimizing relationships.

Communities and the Environment: the business is extremely conscious of its environmental and community responsibilities. ESG is a particular focus with key ESG metrics having been defined and reported internally. Additionally, SECR was completed for the first time in 2022 in order to understand our impact on the environment and enable a drive towards decarbonization.

Investors: the business is fortunate that our investors are heavily engaged in the business, its performance and key strategic decisions being made, with key investors holding Board seats.

ON BEHALF OF THE BOARD:

Jon Slade

.....
J A Slade - Director

Date: 29/3/2024
.....

ENSEK HOLDINGS LIMITED (REGISTERED NUMBER: 10923200)

**REPORT OF THE DIRECTORS
for the year ended 31 March 2023**

The directors present their report with the financial statements of the company and the group for the year ended 31 March 2023.

PRINCIPAL ACTIVITY

ENSEK Holdings Limited is a holding company for a group of companies that are a leading provider of innovative SaaS, Managed Service and Consultancy solutions to the Utilities and Energy industry, enabling customers to improve their business performance and competitiveness.

DIVIDENDS

No dividends will be distributed for the year ended 31 March 2023 (2022: £nil).

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2022 to the date of this report.

P E Bennett
J C Green
J A Slade
M Wright
M J Vitty
D J Murray

Other changes in directors holding office are as follows:

T J Bromwich - resigned 24 November 2022

D B Ellis and G G Rothery were appointed as directors after 31 March 2023 but prior to the date of this report.

J L Kirk and A J Stevenson ceased to be directors after 31 March 2023 but prior to the date of this report.

RESULTS

The loss for the period, after taxation, amounted to £10,112,329 (2022: £13,339,132).

POLITICAL DONATIONS AND EXPENDITURE

No political donations were made in the year ended 31 March 2023 nor the year ended 31 March 2022.

QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

The Company maintains liability insurance for directors and officers as permitted by section 234 of the Companies Act 2006.

ENSEK HOLDINGS LIMITED (REGISTERED NUMBER: 10923200)

**REPORT OF THE DIRECTORS
for the year ended 31 March 2023**

ENGAGEMENT WITH EMPLOYEES

Engagement with and continuing development of our people is vital to the ongoing success of our business. Our employees are ENSEK's key asset, fundamental to the delivery of our future strategy, consequently the impact on employees is a principal consideration in all decisions made by the Board.

During the year we have continued to expand our internal Illuminate learning platform, as well as encourage employees to participate in external training and complete professional qualifications.

We engage regularly with our employees through various forums such as:

- Quarterly 'All Hands' Performance meetings with significant time devoted to financial performance and the economic drivers of results as well as to open questions;
- Bi-monthly Employee Net Promoter survey with responses discussed and acted on by directors;
- A structure of regular 1:1 meeting across the organisation where feedback and challenge is encouraged;
- New Starter Lunches where all new starters attend a lunch meeting with 2 Directors.

As a relatively small business with a 'flat' and open culture the directors are fortunate to be able to hold regular informal discussions with employees.

The Board takes the welfare of employees extremely seriously with a particular focus on mental health with monthly mental health support meeting and dedicated 'Mental Health First Aiders'.

ENSEK is an inclusive business which welcomes applications from anyone no matter their background and recognises the importance diversity in driving business success. Applications from disabled persons are always fully considered bearing in mind the aptitudes of the applicant concerned. It is the policy of the Group that the training, promotion and career development of disabled employees should as far as possible be identical to that of other employees.

MATTERS COVERED IN THE STRATEGIC REPORT

Future developments; risk management; and research and development are covered in the Strategic Report. Along with how the directors have had regard to the need to foster the company's business relationships with suppliers, customers and others.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

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REPORT OF THE DIRECTORS
for the year ended 31 March 2023

AUDITORS

The auditors, Grant Thornton UK LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

Jon Slade
.....
J A Slade - Director

29/3/2024
Date:

Independent auditor's report to the members of Ensek Holdings Limited

Opinion

We have audited the financial statements of Ensek Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2023, which comprise the consolidated statement of comprehensive income, the consolidated balance sheet, the company balance sheet, the consolidated statement of changes in equity, the company statement of changes in equity, the consolidated cash flow statement, the notes to the consolidated cash flow statement, the notes to consolidated financial statements and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2023 and of the group's loss for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the group's and the parent company's business model including effects arising from macro-economic uncertainties such as the cost of living crisis we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the group's and the parent company's financial resources or ability to continue operations over the going concern period.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Group Strategic Report and the Report of the Directors, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Group Strategic Report and the Report of the Directors. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 10, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes

our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting frameworks (FRS 102 and Companies Act 2006) and the relevant tax compliance regulations in the jurisdiction in which the company operates.
- We enquired of management concerning the company's policies and procedures relating to:
 - the identification, evaluation and compliance with laws and regulations
 - the detection and response to the risks of fraud and
 - the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations
- We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or whether they have any knowledge of actual, suspected or alleged fraud.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur and the risk of management override of controls. Audit procedures performed by the engagement team included:
 - evaluation of the controls established to address the risks related to irregularities and fraud.
 - testing manual journal entries, in particular journal entries relating to consolidation, management estimates and entries determined to relate to unusual transactions.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
- The engagement leader's assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
 - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation and
 - knowledge of the industry in which the client operates.
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.
- For components at which audit procedures were performed, we requested component auditors to report to us instances of non-compliance with laws and regulations that gave rise to a risk of material misstatement of the group financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Grant Thornton UK LLP

Jane Jones
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Leicester
Date: 29/3/2024

ENSEK HOLDINGS LIMITED (REGISTERED NUMBER: 10923200)

**CONSOLIDATED
STATEMENT OF COMPREHENSIVE
INCOME**
for the year ended 31 March 2023

| | Notes | 2023 £ | 2022 £ |
|--|-------|----------------------------|----------------------------|
| TURNOVER | 3 | 24,797,137 | 25,575,972 |
| Cost of sales | | <u>(9,239,859)</u> | <u>(15,882,397)</u> |
| GROSS PROFIT | | 15,557,278 | 9,693,575 |
| Administrative expenses | | <u>(24,545,007)</u> | <u>(23,068,876)</u> |
| | | (8,987,729) | (13,375,301) |
| Other operating income | | <u>64,214</u> | <u>224,476</u> |
| OPERATING LOSS | 5 | (8,923,515) | (13,150,825) |
| Interest payable and similar expenses | 7 | <u>(2,046,834)</u> | <u>(1,340,721)</u> |
| LOSS BEFORE TAXATION | | (10,970,349) | (14,491,546) |
| Tax on loss | 8 | <u>858,020</u> | <u>1,152,414</u> |
| LOSS FOR THE FINANCIAL YEAR | | (10,112,329) | (13,339,132) |
| OTHER COMPREHENSIVE INCOME | | <u>-</u> | <u>-</u> |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | | <u>(10,112,329)</u> | <u>(13,339,132)</u> |
| Loss attributable to: | | | |
| Owners of the parent | | (8,553,217) | (13,219,898) |
| Non-controlling interests | | <u>(1,559,112)</u> | <u>(119,234)</u> |
| | | <u>(10,112,329)</u> | <u>(13,339,132)</u> |
| Total comprehensive income attributable to: | | | |
| Owners of the parent | | (8,553,217) | (13,219,898) |
| Non-controlling interests | | <u>(1,559,112)</u> | <u>(119,234)</u> |
| | | <u>(10,112,329)</u> | <u>(13,339,132)</u> |

The notes form part of these financial statements

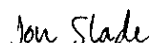
ENSEK HOLDINGS LIMITED (REGISTERED NUMBER: 10923200)

CONSOLIDATED BALANCE SHEET
31 March 2023

| | Notes | 2023 £ | 2022 £ |
|--|-------|---------------------|---------------------|
| FIXED ASSETS | | | |
| Intangible assets | 10 | 14,325,167 | 16,061,541 |
| Tangible assets | 11 | 409,351 | 718,547 |
| Investments | 12 | - | - |
| | | <u>14,734,518</u> | <u>16,780,088</u> |
| CURRENT ASSETS | | | |
| Debtors | 13 | 8,355,403 | 7,899,948 |
| Cash at bank and in hand | 14 | <u>1,371,180</u> | <u>1,583,516</u> |
| | | 9,726,583 | 9,483,464 |
| CREDITORS | | | |
| Amounts falling due within one year | 15 | <u>(25,553,529)</u> | <u>(15,018,600)</u> |
| NET CURRENT LIABILITIES | | <u>(15,826,946)</u> | <u>(5,535,136)</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | (1,092,428) | 11,244,952 |
| CREDITORS | | | |
| Amounts falling due after more than one year | 16 | (19,482,783) | (20,926,088) |
| PROVISIONS FOR LIABILITIES | 20 | <u>(856,843)</u> | <u>(1,667,894)</u> |
| NET LIABILITIES | | <u>(21,432,054)</u> | <u>(11,349,030)</u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 21 | 24,709 | 24,673 |
| Share premium | 22 | 5,058,202 | 5,058,202 |
| Capital redemption reserve | 22 | 1,055 | 937 |
| Other reserves | 22 | (23,430) | (52,699) |
| Retained earnings | 22 | <u>(25,227,684)</u> | <u>(16,674,349)</u> |
| | | (20,167,148) | (11,643,236) |
| NON-CONTROLLING INTERESTS | | <u>(1,264,906)</u> | <u>294,206</u> |
| TOTAL EQUITY | | <u>(21,432,054)</u> | <u>(11,349,030)</u> |

29/3/2024

The financial statements were approved by the Board of Directors and authorised for issue on
and were signed on its behalf by:



J A Slade - Director

The notes form part of these financial statements

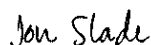
ENSEK HOLDINGS LIMITED (REGISTERED NUMBER: 10923200)

COMPANY BALANCE SHEET
31 March 2023

| | Notes | 2023 £ | 2022 £ |
|--|-------|---------------------|---------------------|
| FIXED ASSETS | | | |
| Intangible assets | 10 | - | - |
| Tangible assets | 11 | - | - |
| Investments | 12 | <u>15,025,164</u> | <u>15,025,164</u> |
| | | <u>15,025,164</u> | <u>15,025,164</u> |
| CURRENT ASSETS | | | |
| Debtors | 13 | 3,361,708 | 2,466,411 |
| Cash at bank | 14 | <u>13,953</u> | <u>44,185</u> |
| | | 3,375,661 | 2,510,596 |
| CREDITORS | | | |
| Amounts falling due within one year | 15 | <u>(4,763,586)</u> | <u>(3,408,070)</u> |
| NET CURRENT LIABILITIES | | <u>(1,387,925)</u> | <u>(897,474)</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 13,637,239 | 14,127,690 |
| CREDITORS | | | |
| Amounts falling due after more than one year | 16 | <u>(18,379,177)</u> | <u>(16,224,140)</u> |
| NET LIABILITIES | | <u>(4,741,938)</u> | <u>(2,096,450)</u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 21 | 24,709 | 25,610 |
| Share premium | 22 | 5,058,202 | 5,058,202 |
| Capital redemption reserve | 22 | 1,055 | 937 |
| Retained earnings | 22 | <u>(9,825,904)</u> | <u>(7,181,199)</u> |
| | | <u>(4,741,938)</u> | <u>(2,096,450)</u> |
| Company's loss for the financial year | | <u>(2,645,524)</u> | <u>(2,771,411)</u> |

29/3/2024

The financial statements were approved by the Board of Directors and authorised for issue on
and were signed on its behalf by:



J A Slade - Director

The notes form part of these financial statements

ENSEK HOLDINGS LIMITED (REGISTERED NUMBER: 10923200)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 31 March 2023

| | Called up share capital £ | Retained earnings £ | Share premium £ | Capital redemption reserve £ |
|---------------------------------|------------------------------------|---------------------------|-----------------------------------|---------------------------------------|
| Balance at 1 April 2021 | 24,862 | (3,453,514) | 5,016,105 | - |
| Changes in equity | | | | |
| Increase in share capital | 748 | - | 42,097 | - |
| Purchase of own shares | (937) | (937) | - | 937 |
| Total comprehensive income | - | (13,219,898) | - | - |
| Balance at 31 March 2022 | <u>24,673</u> | <u>(16,674,349)</u> | <u>5,058,202</u> | <u>937</u> |
| Changes in equity | | | | |
| Increase in share capital | 154 | - | - | - |
| Purchase of own shares | (118) | (118) | - | 118 |
| Total comprehensive income | - | (8,553,217) | - | - |
| Balance at 31 March 2023 | <u>24,709</u> | <u>(25,227,684)</u> | <u>5,058,202</u> | <u>1,055</u> |
| | Other reserves £ | Total £ | Non-controlling interests £ | Total equity £ |
| Balance at 1 April 2021 | (42,325) | 1,545,128 | 413,440 | 1,958,568 |
| Changes in equity | | | | |
| Increase in share capital | - | 42,845 | - | 42,845 |
| Purchase of own shares | - | (937) | - | (937) |
| Total comprehensive income | (10,374) | (13,230,272) | (119,234) | (13,349,506) |
| Balance at 31 March 2022 | <u>(52,699)</u> | <u>(11,643,236)</u> | <u>294,206</u> | <u>(11,349,030)</u> |
| Changes in equity | | | | |
| Increase in share capital | - | 154 | - | 154 |
| Purchase of own shares | - | (118) | - | (118) |
| Total comprehensive income | 29,269 | (8,523,948) | (1,559,112) | (10,083,060) |
| Balance at 31 March 2023 | <u>(23,430)</u> | <u>(20,167,148)</u> | <u>(1,264,906)</u> | <u>(21,432,054)</u> |

The notes form part of these financial statements

ENSEK HOLDINGS LIMITED (REGISTERED NUMBER: 10923200)

COMPANY STATEMENT OF CHANGES IN EQUITY
for the year ended 31 March 2023

| | Called up share capital £ | Retained earnings £ | Share premium £ | Capital redemption reserve £ | Total equity £ |
|---------------------------------|------------------------------------|---------------------------|-----------------------|---------------------------------------|----------------------|
| Balance at 1 April 2021 | 24,862 | (4,407,914) | 5,016,105 | - | 633,053 |
| Changes in equity | | | | | |
| Increase in share capital | 748 | - | 42,097 | - | 42,845 |
| Purchase of own shares | (937) | (937) | - | 937 | (937) |
| Total comprehensive income | - | (2,772,348) | - | - | (2,772,348) |
| Balance at 31 March 2022 | <u>24,673</u> | <u>(7,181,199)</u> | <u>5,058,202</u> | <u>937</u> | <u>(2,097,387)</u> |
| Changes in equity | | | | | |
| Increase in share capital | 154 | - | - | - | 154 |
| Purchase of own shares | (118) | (118) | - | 118 | (118) |
| Total comprehensive income | - | (2,644,587) | - | - | (2,644,587) |
| Balance at 31 March 2023 | <u>24,709</u> | <u>(9,825,904)</u> | <u>5,058,202</u> | <u>1,055</u> | <u>(4,741,938)</u> |

The notes form part of these financial statements

ENSEK HOLDINGS LIMITED (REGISTERED NUMBER: 10923200)

CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 March 2023

| | Notes | 2023 £ | 2022 £ |
|---|-------|------------------|------------------|
| Cash flows from operating activities | | | |
| Cash generated from operations | 1 | 3,438,840 | (2,463,519) |
| Tax paid | | (3,799) | - |
| Tax received | | 2,197,806 | 66,875 |
| Net cash from operating activities | | 5,632,847 | (2,396,644) |
| Cash flows from investing activities | | | |
| Purchase of intangible fixed assets | | (5,424,889) | (8,368,834) |
| Purchase of tangible fixed assets | | (127,393) | (169,609) |
| Sale of tangible fixed assets | | 166,745 | - |
| Hire purchase interest paid | | (24,969) | (8,064) |
| Net cash from investing activities | | (5,410,506) | (8,546,507) |
| Cash flows from financing activities | | | |
| Loan repayments in year | | (2,748,562) | - |
| New finance lease in year | | - | 246,795 |
| Issue of ordinary shares | | 154 | 42,846 |
| Share buyback | | (118) | (938) |
| Other new loans | | 2,729,784 | 10,198,539 |
| Repayment of finance leases | | (139,815) | (10,461) |
| Interest paid | | (276,120) | (210,063) |
| Net cash from financing activities | | (434,677) | 10,266,718 |
| Decrease in cash and cash equivalents | | (212,336) | (676,433) |
| Cash and cash equivalents at beginning of year | 2 | 1,583,516 | 2,259,949 |
| Cash and cash equivalents at end of year | 2 | 1,371,180 | 1,583,516 |

The notes form part of these financial statements

ENSEK HOLDINGS LIMITED (REGISTERED NUMBER: 10923200)

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 March 2023

1. RECONCILIATION OF LOSS FOR THE FINANCIAL YEAR TO CASH GENERATED FROM OPERATIONS

| | 2023 £ | 2022 £ |
|---|------------------|--------------------|
| Loss for the financial year | (10,112,329) | (13,339,132) |
| Depreciation charges | 218,647 | 245,234 |
| Loss/(profit) on disposal of fixed assets | 51,197 | (7,684) |
| Amortisation charges | 5,966,238 | 5,070,577 |
| Accrued interest | (1,590,708) | (1,111,958) |
| Foreign exchange translation | 29,269 | (3,502) |
| Release of provision | - | (16,991) |
| Impairment of assets | 1,195,025 | 974,784 |
| Finance costs | 2,046,834 | 1,340,721 |
| Taxation | (858,020) | (1,152,414) |
| | (3,053,847) | (8,000,365) |
| Increase in trade and other debtors | (2,595,780) | (1,090,733) |
| Increase in trade and other creditors | 9,088,467 | 6,627,579 |
| Cash generated from operations | 3,438,840 | (2,463,519) |

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 March 2023

| | 31/3/23 £ | 1/4/22 £ |
|---------------------------|--------------|-------------|
| Cash and cash equivalents | 1,371,180 | 1,583,516 |

Year ended 31 March 2022

| | 31/3/22 £ | 1/4/21 £ |
|---------------------------|--------------|-------------|
| Cash and cash equivalents | 1,583,516 | 2,259,949 |

3. ANALYSIS OF CHANGES IN NET DEBT

| | At 1/4/22 £ | Cash flow £ | At 31/3/23 £ |
|---------------------------------|---------------------|------------------|---------------------|
| Net cash | | | |
| Cash at bank and in hand | 1,583,516 | (212,336) | 1,371,180 |
| | 1,583,516 | (212,336) | 1,371,180 |
| Debt | | | |
| Finance leases | (302,248) | 139,815 | (162,433) |
| Debts falling due within 1 year | (830,000) | (1,417,212) | (2,247,212) |
| Debts falling due after 1 year | (20,763,736) | 1,280,953 | (19,482,783) |
| | (21,895,984) | 3,556 | (21,892,428) |
| Total | (20,312,468) | (208,780) | (20,521,248) |

The notes form part of these financial statements

ENSEK HOLDINGS LIMITED (REGISTERED NUMBER: 10923200)

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 March 2023

4. COMPANY EXEMPTION

The company is a qualifying entity for the purposes of FRS 102 and has elected to take the exemption under paragraph 1.12(b) of FRS 102 not to present the company statement of cash flows.

ENSEK HOLDINGS LIMITED (REGISTERED NUMBER: 10923200)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2023**

1. STATUTORY INFORMATION

ENSEK Holdings Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

ENSEK Holdings Limited is a holding company for a group of companies that are a leading provider of innovative SaaS, Managed Service and Consultancy solutions to the Utilities and Energy industry, enabling customers to improve their business performance and competitiveness.

The energy sector is unique and complex, providing a distinctive set of challenges for any organisation wanting to become a participant. Data is at the heart of these challenges and ENSEK's unique combination of platform solutions, outsourced services and innovative industry consultants remove competitive barriers and allow our customers to stay ahead of technological and market change, deliver exceptional customer service, and gain critical visibility over revenue and margin.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The presentational currency of the financial statements is Sterling (£).

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed within the notes to the accounts (see note 3).

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

Basis of consolidation

The consolidated financial statements present the results of the company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

Going concern

The Directors believe that it is appropriate to prepare the accounts on a going concern basis. The directors have prepared and reviewed forecasts, including downside scenarios, and have concluded that there is sufficient cash and funding available to the business to meet all liabilities as they fall due.

In accordance with the Guidance on Going Concern and Liquidity Risk Guidance for UK Companies 2009, the Directors confirm that, after making enquiries, they have a reasonable expectation that the Company and the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

ENSEK HOLDINGS LIMITED (REGISTERED NUMBER: 10923200)**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**
for the year ended 31 March 2023**2. ACCOUNTING POLICIES - continued****Revenue**

The principal revenue streams are recurring revenue and non-recurring revenue.

Recurring revenue is software sales, managed services and software support. Software revenue is recognised at the point at which the software is activated. Managed services and software support revenue is recognised monthly on a straight line basis over the term of the contract.

Non-recurring revenue is made up of professional services. Revenue is recognised based on stage of completion.

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated Statement of Comprehensive Income over its useful economic life.

Amortisation is charged based on the expected useful life of 10 years.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

An impairment loss has been recognised in the Consolidated Statement of Comprehensive Income, following an assessment at the Consolidated Balance Sheet date indicating the recoverable amount was less than its carrying value.

Development costs are being amortised evenly over their estimated useful life of three years.

Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

| | |
|----------------------------------|------------------------|
| Short leasehold land & buildings | - 25% straight line |
| Motor vehicles | - 25% reducing balance |
| Computer equipment | - 33% straight line |

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Comprehensive Income.

Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

ENSEK HOLDINGS LIMITED (REGISTERED NUMBER: 10923200)**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2023****2. ACCOUNTING POLICIES - continued****Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Operating leases: the group as lessee

Rentals paid under operating leases are charged to the Consolidated Statement of Comprehensive Income on a straight line basis over the lease term.

The Group has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard (1 April 2016) to continue to be charged over the period to the first market rent review rather than the term of the lease.

Leased assets: the company as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Consolidated Statement of Comprehensive Income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

Borrowing costs

All borrowing costs are recognised in the Consolidated Statement of Comprehensive Income in the period in which they are incurred.

ENSEK HOLDINGS LIMITED (REGISTERED NUMBER: 10923200)**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2023****2. ACCOUNTING POLICIES - continued****Financial instruments**

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- at fair value with changes recognised in the Consolidated Statement of Comprehensive Income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Finance costs

Finance costs are charged to the Consolidated Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

ENSEK HOLDINGS LIMITED (REGISTERED NUMBER: 10923200)**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2023****2. ACCOUNTING POLICIES - continued****Provisions for liabilities**

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Consolidated Statement of Comprehensive Income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives of 3 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

ENSEK HOLDINGS LIMITED (REGISTERED NUMBER: 10923200)**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2023****3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(i) Provision for tax

The company makes an estimate of the corporation tax liability due to HM Revenue & Customs as at the balance sheet date. When assessing the liability, the directors evaluate all aspects which may be open to interpretation and take specialist advice where necessary. See note 9.

(ii) Professional services work

The company makes an estimate of the stage of completion of professional services work to determine the recognition of revenue in respect of this work. See note 4.

(iii) Capitalisation of development costs

The company applies judgement to determine whether an R&D project has met the capitalisation criteria under FRS 102. Estimation is applied to determine how development costs are captured, and the stage of completion of work done. See note 10.

(iv) Useful economic lives of capitalised development costs

The annual amortisation charge for intangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 10.

4. TURNOVER

The turnover and loss before taxation are attributable to the one principal activity of the group.

An analysis of turnover by class of business is given below:

| | 2023 | 2022 |
|----------------------------|--------------------------|--------------------------|
| | £ | £ |
| Recurring SaaS | 15,403,882 | 13,159,179 |
| Recurring managed services | 845,150 | 1,917,786 |
| Professional services | 8,548,105 | 10,499,007 |
| | <u>24,797,137</u> | <u>25,575,972</u> |

An analysis of turnover by geographical market is given below:

| | 2023 | 2022 |
|----------------|--------------------------|--------------------------|
| | £ | £ |
| United Kingdom | 23,723,974 | 20,120,250 |
| Europe | 1,073,163 | 2,652,020 |
| Australia | - | 2,803,702 |
| | <u>24,797,137</u> | <u>25,575,972</u> |

ENSEK HOLDINGS LIMITED (REGISTERED NUMBER: 10923200)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2023

5. EMPLOYEES AND DIRECTORS

The average number of employees, including directors, during the year was 302 (2022 - 314).

Staff costs, including director's remuneration, were as follows:

| | Group | | Company | |
|---|-------------------|-------------------|------------------|------------------|
| | 2023 | 2022 | 2023 | 2022 |
| | £ | £ | £ | £ |
| Wages and salaries | 15,568,755 | 15,378,455 | 892,682 | 995,358 |
| Social security costs | 1,816,879 | 1,606,984 | 113,741 | 121,843 |
| Cost of defined benefit contribution scheme | 623,488 | 662,530 | 42,143 | 51,229 |
| | <u>18,009,122</u> | <u>17,647,969</u> | <u>1,048,566</u> | <u>1,168,430</u> |

| | Group and company | |
|--|-------------------|------------------|
| | 2023 | 2022 |
| | £ | £ |
| Director's remuneration | 980,337 | 997,245 |
| Pension contributions to defined contribution pension scheme | <u>42,144</u> | <u>51,229</u> |
| | <u>1,022,481</u> | <u>1,048,474</u> |

During the period retirement benefits were accruing to 6 (2022: 7) directors in respect of defined contribution pension schemes.

The highest paid director received remuneration of £161,000 (2022: £180,803).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £10,054 (2022: £10,289).

There are no additional key management personnel.

6. OPERATING LOSS

The operating loss is stated after charging/(crediting):

| | 2023 | 2022 |
|---|-----------|----------------|
| | £ | £ |
| Other operating leases | 380,342 | 495,614 |
| Depreciation - owned assets | 218,647 | 245,234 |
| Loss/(profit) on disposal of fixed assets | 51,197 | (7,684) |
| Goodwill amortisation | 1,258,607 | 1,358,526 |
| Development costs amortisation | 4,707,631 | 3,712,051 |
| Foreign exchange differences | 117,023 | 72,198 |
| Impairment of goodwill | <u>-</u> | <u>799,349</u> |

ENSEK HOLDINGS LIMITED (REGISTERED NUMBER: 10923200)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2023

7. AUDITORS' REMUNERATION

| | 2023 £ | 2022 £ |
|--|----------------|---------------|
| Fees payable to the company's auditor for the audit of the company's annual financial statements | <u>20,000</u> | <u>4,000</u> |
| Fee's payable to the company's auditor and its associates for other services: | | |
| Audit of the accounts of subsidiaries | 129,504 | 46,000 |
| All other services | - | 14,023 |
| Audit-related assurance services | <u>15,000</u> | <u>-</u> |
| | <u>144,504</u> | <u>60,023</u> |

ENSEK HOLDINGS LIMITED (REGISTERED NUMBER: 10923200)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2023

8. INTEREST PAYABLE AND SIMILAR EXPENSES

| | 2023 £ | 2022 £ |
|-----------------------------|------------------|------------------|
| Other loan interest payable | 2,038,664 | 1,332,657 |
| Hire purchase | 8,170 | 8,064 |
| | <u>2,046,834</u> | <u>1,340,721</u> |

9. TAXATION

Analysis of the tax credit

The tax credit on the loss for the year was as follows:

| | 2023 £ | 2022 £ |
|---------------------------|------------------|--------------------|
| Current tax: | | |
| UK corporation tax | (46,969) | (2,203,322) |
| Adjustment to prior years | - | 85,451 |
| Total current tax | (46,969) | (2,117,871) |
| Deferred tax | (811,051) | 965,457 |
| Tax on loss | <u>(858,020)</u> | <u>(1,152,414)</u> |

Reconciliation of total tax credit included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

| | 2023 £ | 2022 £ |
|---|---------------------|---------------------|
| Loss before tax | <u>(10,970,349)</u> | <u>(14,491,546)</u> |
| Loss multiplied by the standard rate of corporation tax in the UK of 19% (2022 - 19%) | (2,084,366) | (2,753,394) |
| Effects of: | | |
| Expenses not deductible for tax purposes | 1,426,548 | 296,525 |
| Capital allowances in excess of depreciation | (7,075) | - |
| Depreciation in excess of capital allowances | - | 258,792 |
| Utilisation of tax losses | (105,038) | - |
| Adjustments to tax charge in respect of previous periods | - | 85,451 |
| Enhanced research and development expenditure relief | (47,821) | (1,627,762) |
| Research and development tax credit adjustment | 15,756 | 682,078 |
| Unutilised tax losses | 150,668 | 1,428,784 |
| Underprovision in prior year | (12,040) | (6,133) |
| Change in tax rate | <u>(194,652)</u> | <u>483,245</u> |
| Total tax credit | <u>(858,020)</u> | <u>(1,152,414)</u> |

As at 5 April 2023 the applicable tax rate changed to 25%.

ENSEK HOLDINGS LIMITED (REGISTERED NUMBER: 10923200)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2023

10. INDIVIDUAL STATEMENT OF COMPREHENSIVE INCOME

As permitted by Section 408 of the Companies Act 2006, the Statement of Comprehensive Income of the parent company is not presented as part of these financial statements. The company's loss for the year was £2,645,524 (2022: £2,771,411).

11. INTANGIBLE FIXED ASSETS

Group

| | Goodwill £ | Development costs £ | Totals £ |
|-----------------------|-------------------|---------------------------|-------------------|
| COST | | | |
| At 1 April 2022 | 12,586,071 | 19,054,890 | 31,640,961 |
| Additions | - | 5,424,889 | 5,424,889 |
| Impairments | - | (1,843,988) | (1,843,988) |
| At 31 March 2023 | <u>12,586,071</u> | <u>22,635,791</u> | <u>35,221,862</u> |
| AMORTISATION | | | |
| At 1 April 2022 | 5,663,632 | 9,915,788 | 15,579,420 |
| Amortisation for year | 1,258,607 | 4,707,631 | 5,966,238 |
| Impairments | - | (648,963) | (648,963) |
| At 31 March 2023 | <u>6,922,239</u> | <u>13,974,456</u> | <u>20,896,695</u> |
| NET BOOK VALUE | | | |
| At 31 March 2023 | <u>5,663,832</u> | <u>8,661,335</u> | <u>14,325,167</u> |
| At 31 March 2022 | <u>6,922,439</u> | <u>9,139,102</u> | <u>16,061,541</u> |

ENSEK HOLDINGS LIMITED (REGISTERED NUMBER: 10923200)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2023

12. TANGIBLE FIXED ASSETS

| Group | Short leasehold land & buildings £ | Motor vehicles £ | Computer equipment £ | Totals £ |
|------------------------|--|------------------------|----------------------------|------------------|
| COST | | | | |
| At 1 April 2022 | 486,880 | 78,500 | 628,200 | 1,193,580 |
| Additions | - | - | 127,393 | 127,393 |
| Disposals | - | - | (253,111) | (253,111) |
| At 31 March 2023 | <u>486,880</u> | <u>78,500</u> | <u>502,482</u> | <u>1,067,862</u> |
| DEPRECIATION | | | | |
| At 1 April 2022 | 176,431 | 40,783 | 257,819 | 475,033 |
| Charge for year | 121,471 | 9,429 | 87,747 | 218,647 |
| Eliminated on disposal | - | - | (35,169) | (35,169) |
| At 31 March 2023 | <u>297,902</u> | <u>50,212</u> | <u>310,397</u> | <u>658,511</u> |
| NET BOOK VALUE | | | | |
| At 31 March 2023 | <u>188,978</u> | <u>28,288</u> | <u>192,085</u> | <u>409,351</u> |
| At 31 March 2022 | <u>310,449</u> | <u>37,717</u> | <u>370,381</u> | <u>718,547</u> |

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

| | Hounds Gate £ | Motor vehicles £ |
|-----------------------|---------------------|------------------------|
| COST | | |
| At 1 April 2022 | 453,244 | 78,500 |
| Additions | 12,347 | - |
| Disposals | - | - |
| At 31 March 2023 | <u>465,591</u> | <u>78,500</u> |
| DEPRECIATION | | |
| At 1 April 2022 | 115,981 | 40,783 |
| Charge for year | 135,161 | 9,429 |
| At 31 March 2023 | <u>251,142</u> | <u>50,212</u> |
| NET BOOK VALUE | | |
| At 31 March 2023 | <u>214,449</u> | <u>28,288</u> |
| At 31 March 2022 | <u>337,263</u> | <u>37,717</u> |

ENSEK HOLDINGS LIMITED (REGISTERED NUMBER: 10923200)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2023

13. FIXED ASSET INVESTMENTS

Company

Shares in
group
undertaking
£

COST

At 1 April 2022
and 31 March 202315,025,164

NET BOOK VALUE

At 31 March 2023

15,025,164

At 31 March 2022

15,025,164

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiaries

Ensek Ltd

Registered office: Hounds Gate, 30-34 Hounds Gate, Nottingham, England, NG1 7AB
Nature of business: IT software and consultancy services

| | % holding | 2023 £ | 2022 £ |
|--------------------------------|--------------|--------------------|--------------------|
| Class of shares: | | | |
| Ordinary | 100.00 | | |
| Aggregate capital and reserves | | <u>(5,728,149)</u> | <u>(2,284,151)</u> |
| Loss for the year | | <u>(3,443,998)</u> | <u>(9,907,062)</u> |

Intelligen Limited

Registered office: Hounds Gate, 30-34 Hounds Gate, Nottingham, England, NG1 7AB
Nature of business: Dormant company

| | % holding | 2023 £ | 2022 £ |
|--------------------------------|--------------|---------------|---------------|
| Class of shares: | | | |
| Ordinary | 100.00 | | |
| Aggregate capital and reserves | | <u>30,556</u> | <u>30,556</u> |

ENSEK Benelux bv

Registered office: Paalsesteenweg 170/9, 3583 Beringen, Belgium
Nature of business: SaaS and consultancy services

| | % holding | 2023 £ | 2022 £ |
|--------------------------------|--------------|--------------------|------------------|
| Class of shares: | | | |
| Ordinary | 60.00 | | |
| Aggregate capital and reserves | | <u>(3,254,334)</u> | <u>646,986</u> |
| Loss for the year | | <u>(3,873,926)</u> | <u>(243,482)</u> |

ENSEK HOLDINGS LIMITED (REGISTERED NUMBER: 10923200)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2023

13. FIXED ASSET INVESTMENTS - continued

Tickd Ltd

Registered office: 4th Floor, Regent House, 50 Frederick Street, Birmingham, West Midlands, England, B1 3HR
Nature of business: IT consultancy services

| Class of shares: | % holding | 2023 £ | 2022 £ |
|--------------------------------|--------------|------------------------|-------------------------|
| Ordinary | 80.00 | | |
| Aggregate capital and reserves | | 96,060 | 154,806 |
| Loss for the year | | <u>(58,746)</u> | <u>(173,795)</u> |

ENSEK Australia PTY Ltd

Registered office: Docklands, 3008, Victoria, Australia
Nature of business: IT software and consultancy services

| Class of shares: | % holding | 2023 £ | 2022 £ |
|--------------------------------|--------------|-------------------------|-------------------------|
| Ordinary | 100.00 | | |
| Aggregate capital and reserves | | (469,900) | (389,298) |
| Loss for the year | | <u>(137,760)</u> | <u>(362,829)</u> |

The directors confirm that in accordance with sections 479A and 479C of the Companies Act 2006, the parent company provides parental guarantee to Tickd Ltd and Intelligen Limited therefore the subsidiaries are claiming exemption from the requirement of the UK Companies Act 2006 relating to the audit of the individual accounts.

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | Group | | Company | |
|------------------------------------|-------------------------|------------------|-------------------------|------------------|
| | 2023 £ | 2022 £ | 2023 £ | 2022 £ |
| Trade debtors | 3,324,638 | 2,150,329 | - | - |
| Amounts owed by group undertakings | - | - | 2,990,244 | 2,102,700 |
| Other debtors | 2,219,030 | 380,258 | - | - |
| Tax | 50,768 | 2,139,844 | - | - |
| VAT | 48,765 | - | 7,055 | - |
| Prepayments and accrued income | <u>2,712,202</u> | <u>3,229,517</u> | <u>364,409</u> | <u>363,711</u> |
| | <u>8,355,403</u> | <u>7,899,948</u> | <u>3,361,708</u> | <u>2,466,411</u> |

15. CASH AT BANK AND IN HAND

| | Group | | Company | |
|--------------------------|-------------------------|------------------|----------------------|---------------|
| | 2023 £ | 2022 £ | 2023 £ | 2022 £ |
| Cash at hand and in bank | <u>1,371,180</u> | <u>1,583,516</u> | <u>13,953</u> | <u>44,185</u> |
| | <u>1,371,180</u> | <u>1,583,516</u> | <u>13,953</u> | <u>44,185</u> |

ENSEK HOLDINGS LIMITED (REGISTERED NUMBER: 10923200)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2023

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | Group | | Company | |
|---------------------------------------|-------------------|-------------------|------------------|------------------|
| | 2023 | 2022 | 2023 | 2022 |
| | £ | £ | £ | £ |
| Other loans (see note 17) | 2,247,212 | 830,000 | - | - |
| Hire purchase contracts (see note 18) | 162,433 | 139,896 | - | - |
| Trade creditors | 1,962,542 | 6,046,650 | 70,970 | 316,807 |
| Social security and other taxes | 1,214,954 | 1,573,701 | 36,653 | 28,649 |
| Other creditors | 9,500,903 | 700,522 | - | 7,892 |
| Accruals and deferred income | 10,465,485 | 5,727,831 | 4,655,963 | 3,054,722 |
| | <u>25,553,529</u> | <u>15,018,600</u> | <u>4,763,586</u> | <u>3,408,070</u> |

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | Group | | Company | |
|---------------------------------------|-------------------|-------------------|-------------------|-------------------|
| | 2023 | 2022 | 2023 | 2022 |
| | £ | £ | £ | £ |
| Other loans (see note 17) | 19,482,783 | 20,763,736 | 18,379,177 | 16,224,140 |
| Hire purchase contracts (see note 18) | - | 162,352 | - | - |
| | <u>19,482,783</u> | <u>20,926,088</u> | <u>18,379,177</u> | <u>16,224,140</u> |

18. LOANS

An analysis of the maturity of loans is given below:

| | Group | | Company | |
|---|-------------------|-------------------|-------------------|-------------------|
| | 2023 | 2022 | 2023 | 2022 |
| | £ | £ | £ | £ |
| Amounts falling due within one year or on demand: | | | | |
| Other loans | <u>2,247,212</u> | <u>830,000</u> | <u>-</u> | <u>-</u> |
| Amounts falling due between two and five years: | | | | |
| Other loans - 2-5 years | <u>19,482,783</u> | <u>20,763,736</u> | <u>18,379,177</u> | <u>16,224,140</u> |

Interest on the loan notes (included as other loans) is charged quarterly at a rate of 8% per annum.

19. LEASING AGREEMENTS

| | Non-cancellable operating leases | |
|----------------------------|----------------------------------|----------------|
| | 2023 | 2022 |
| | £ | £ |
| Within one year | 234,749 | 235,037 |
| Between one and five years | 449,935 | 684,684 |
| In more than five years | - | - |
| | <u>684,684</u> | <u>919,721</u> |

ENSEK HOLDINGS LIMITED (REGISTERED NUMBER: 10923200)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2023

| | Hire purchase contracts | |
|----------------------------|-------------------------|----------------|
| | 2023 | 2022 |
| | £ | £ |
| Within one year | 162,433 | 139,896 |
| Between one and five years | - | 162,352 |
| | <u>162,433</u> | <u>302,248</u> |

20. SECURED DEBTS

The following secured debts are included within creditors:

| | Group | |
|-------------------------|----------------|----------------|
| | 2023 | 2022 |
| | £ | £ |
| Hire purchase contracts | <u>162,433</u> | <u>302,248</u> |

The hire purchase contracts are secured upon the group's motor vehicles.

21. PROVISIONS FOR LIABILITIES

| | Group | |
|--------------|----------------|------------------|
| | 2023 | 2022 |
| | £ | £ |
| Deferred tax | <u>856,843</u> | <u>1,667,894</u> |

Group

| | Deferred tax £ |
|---|-------------------|
| Balance at 1 April 2022 | 1,667,894 |
| Credit to Statement of Comprehensive Income during year | <u>(811,051)</u> |
| Balance at 31 March 2023 | <u>856,843</u> |

At end of year

The provision for deferred taxation is made up as follows:

| | 2023 | 2022 |
|--|------------------|--------------------|
| | £ | £ |
| Accelerated capital and R&D allowances | (868,894) | (1,681,187) |
| Tax losses carried forward | - | 2,006 |
| Short term timing differences | <u>12,051</u> | <u>11,287</u> |
| | <u>(856,843)</u> | <u>(1,667,894)</u> |

ENSEK HOLDINGS LIMITED (REGISTERED NUMBER: 10923200)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 March 2023

22. CALLED UP SHARE CAPITAL

| | 2023 | 2022 |
|---|---------------|---------------|
| | £ | £ |
| Allotted, called up and fully paid | | |
| 78,408 A1 shares of £0.10 each | 7,841 | 7,841 |
| 8,712 A2 shares of £0.10 each | 871 | 871 |
| 50,931 B1 shares of £0.10 each | 5,093 | 5,148 |
| 1,330 B2 shares of £0.01 each | 13 | 19 |
| 24,672 C1 shares of £0.10 each | 2,467 | 2,523 |
| 8,086 C2 shares of £0.50 each | 4,043 | 4,043 |
| 8,371 C3 shares of £0.50 each | 4,186 | 4,186 |
| 119 C4 shares of £0.01 each | 1 | 2 |
| 11,231 C5 shares of £0.01 each | 113 | 40 |
| | <u>24,628</u> | <u>24,673</u> |
| 8,140 C5 shares of £0.01 not paid | 81 | - |
| Total | <u>24,709</u> | <u>24,673</u> |

23. RESERVES

Share premium account

The share premium account includes any premiums received on issue of share capital.

Retained earnings account

The retained earnings account comprises all current and prior period retained profits and losses, less dividends declared and paid.

Capital redemption reserve

The capital redemption reserve represents the nominal value of issued shares subsequently repurchased by the company.

Other reserves

The other reserves contain a foreign exchange reserve created by retranslation of foreign subsidiary financial statements upon consolidation.

24. CONTINGENT LIABILITIES

The 31 March 2023 accounts include a £2.1m debtor relating to a claim made for a R&D tax credit for the 12-month period ending 31 March 2022. A HMRC Notice of Enquiry was received in March 2023 which remains unresolved. ENSEK is confident the claim will be settled in full.

25. PENSION COMMITMENTS

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £602,844 (2022 - £662,530). Contributions totalling £89,820 (2022 - £225,142) were payable to the fund at the balance sheet date and are included in creditors.

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26. RELATED PARTY DISCLOSURES

The Group has taken advantage of the exemption contained in Financial Reporting Standard 102 and has therefore not disclosed transactions or balances with entities which form part of the group.

At 31 March 2023, the balance on the loan note creditor was £18,379,177 (2022: £21,593,736) and £4,655,963 (2022: £2,829,073) was included in accruals in respect of loan note interest. Interest of £1,784,377 (2022: £1,332,657) was charged to the profit and loss account and interest of £nil (2022: £220,699) was paid out to the loan note holders during the year.

At 31 March 2023 ENSEK Limited was owed £92,916 (2022: £20,252) by Tickd Ltd, a non wholly owned member of the group.

At 31 March 2023 ENSEK Limited was owed £1,929,785 (2022: £640,747) by Ensek Benelux, a non wholly owned member of the group. This debt was provided for in full as a bad debt.

27. POST BALANCE SHEET EVENTS

On 28th April 2023, Ensek disposed of shares held in Tickd Ltd bv. Ensek's shareholding reduced from 80% to 20%.

28. ULTIMATE CONTROLLING PARTY

In the opinion of the directors, there is no ultimate controlling party in the current and prior year.